

## WHY SHOULD SOUTH CAROLINA CONSUMERS BE CONCERNED ABOUT INSURANCE FRAUD?



South Carolina Attorney General's Office  
South Carolina Department of Consumer Affairs  
South Carolina Insurance News Service  
South Carolina Department of Insurance  
Carolinas Chapter of National Association of Professional Employers Organizations  
South Carolina Insurance Fraud Investigators

**To:** South Carolina Middle and High School Principals

**From:** South Carolina Attorney General's Office  
South Carolina Department of Consumer Affairs  
South Carolina Insurance News Service  
South Carolina Department of Insurance  
Carolinas Chapter of National Association of Professional Employers Organization  
South Carolina Insurance Fraud Investigators

**Subject:** Insurance Fraud Essay Competition for Middle School students (7<sup>th</sup>- 8<sup>th</sup> Grades) and  
High School Students (9<sup>th</sup>- 12<sup>th</sup> Grades)

**Date:** September 15, 2005

---

South Carolina has a number of groups concerned about insurance fraud and its effect on the citizens and businesses of our state. Auto, home, business, and health insurance scams cost Americans over \$120 billion each year, and South Carolina citizens pay their share of the bill for these illegal activities.

The agencies and associations listed above maintain a strong stand against insurance fraud, and are particularly committed to aggressively investigating and prosecuting these cases. The message must be clear: **Stealing from an insurance company is stealing from South Carolina citizens. Insurance fraud is a crime.** If insurance fraud were a business, it would be a top Fortune 500 company.

To assist students in understanding how fraud directly affects the amount citizens pay in insurance premiums and goods and services, an essay competition is being held for middle school (7<sup>th</sup> – 8<sup>th</sup> grades) and high school (9<sup>th</sup>- 12<sup>th</sup> grades) students. This year's theme is **“Why Should South Carolina Consumers Be Concerned About Insurance Fraud?”** The paper should highlight why consumers should be concerned about insurance fraud and its effects on consumers.

Additionally, students will become familiar with South Carolina's mandatory reporting act which states **“...any person, insurer or authorized agency having reason to believe that another has made a false statement or misrepresentation or has knowledge of a suspected false statement or misrepresentation shall, for purpose of reporting and investigation, notify South Carolina's Attorney General's Insurance Fraud Hotline at 1-888-95-FRAUD (toll free in SC).”**

(over)

Listed below are seven common types of insurance fraud.

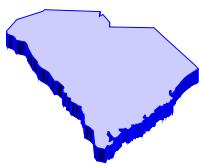
- **Under reporting the number of miles you drive on your auto policy.**
- **Failing to report an accurate medical history when applying for health insurance.**
- **An employee of a company who fakes or exaggerates injuries to avoid work and draws workers' compensation payout.**
- **An auto accident victim who falsifies or overstates injuries—or even fakes the accident—to achieve a large settlement or award.**
- **Staging automobile accidents which result in inflated injury claims.**
- **An insured person who draws accident and health insurance benefits because of exaggerated or even fabricated injuries or illness.**
- **Exaggerating the amount and value of items stolen from a home or business.**

The goal of the essay competition is to:

- (1) Provide students with sufficient information to enable them to understand the seriousness of insurance fraud; and**
- (2) To improve their writing skills.**

Guidelines for the competition are enclosed. For more information, please contact Public Information and Education at the Department of Consumer Affairs at **1.800.922.1594** (toll free in SC) or [king@dca.state.sc.us](mailto:king@dca.state.sc.us).

**ESSAY COMPETITION DEADLINE: FRIDAY, OCTOBER 21, 2005**



## WHY SHOULD SOUTH CAROLINA CONSUMERS BE CONCERNED ABOUT INSURANCE FRAUD?



South Carolina Attorney General's Office  
South Carolina Department of Consumer Affairs  
South Carolina Insurance News Service  
South Carolina Department of Insurance  
Carolinas Chapter of National Association of Professional Employers Organizations  
South Carolina Insurance Fraud Investigators

### Insurance Fraud Essay Competition

- Theme:** “Why Should South Carolina Consumers Be Concerned About Insurance Fraud?”
- Level:** Open to all South Carolina middle school (7<sup>th</sup>- 8<sup>th</sup> grade) and high school (9<sup>th</sup>-12<sup>th</sup> grade) students
- Time:** (1) Compositions **must be postmarked or delivered to the South Carolina Department of Consumer Affairs by Friday, October 21, 2005.**  
(2) Judging will be completed by the end of October.
- Awards:** The top eight essayists in each category will receive a monetary award of \$100.  
Additionally, the top three essayists in each category will receive a savings bond in the following amounts:  
**1<sup>st</sup> Place:** \$150      **2<sup>nd</sup> Place:** \$100      **3<sup>rd</sup> Place:** \$50
- Resources:** Websites to help with resources about insurance fraud are:  
(1) [www.scinsnews.com](http://www.scinsnews.com)  
(2) [www.insurancefraud.org](http://www.insurancefraud.org)  
(3) [www.scdoi.state.sc.us](http://www.scdoi.state.sc.us)  
(4) [www.nicb.org](http://www.nicb.org)  
(5) [www.iii.org](http://www.iii.org)
- Criteria:**
- |      | All essays will be judged on:                 | Maximum points |
|------|---|----------------|
| I.   | Expression & Creativity                       | 40             |
|      | a. Title/general approach                     |                |
|      | b. Imaginative ideas                          |                |
|      | c. Interesting word choices                   |                |
| II.  | Mechanics                                     | 30             |
|      | a. Spelling                                   |                |
|      | b. Handwriting                                |                |
|      | c. Language use                               |                |
|      | d. Capitalization                             |                |
|      | e. Sentence structure                         |                |
|      | f. Punctuation                                |                |
| III. | Writing process                               | 30             |
|      | a. Ideas presented in logical order and sense |                |
|      | b. Consistent writing style                   |                |
|      | c. Fully explained ideas                      |                |
|      | d. Ideas adhere to theme                      |                |

(over)

# Insurance Fraud Essay Competition

## Writing Procedures:

- (1) Students submitting essays must write in class and submit to their teacher.
- (2) Essays should be 500-700 words in length.

## Judging:

- (1) A panel of judges will be named to judge the essays.
- (2) Awards will be presented during a special ceremony in November in Columbia. Parents, teachers and principals of the winners will be invited to attend. Lunch will be provided.
- (3) A signed Statement of Assurance must accompany each essay. (The enclosed Statement of Assurance may be duplicated if additional copies are needed.)

## \*All essays should be mailed to:

Insurance Fraud Essay Competition  
South Carolina Department of Consumer Affairs  
Post Office Box 5757  
Columbia SC 29250-5757

## \*\*Or delivered to:

3600 Forest Drive  
Suite 300  
Columbia SC

If you have questions, contact Director of Educational Services, Sherry Gore King at (803) 734.4195 or [king@dca.state.sc.us](mailto:king@dca.state.sc.us)

\* Entries mailed to the department must be postmarked by Friday, October 21, 2005.

\*\* Entries delivered to the Department must be received by  
5:00 p.m. on Friday, October 21, 2005.

**E-MAIL OR FAXED ENTRIES WILL NOT BE ACCEPTED.**

# Statement of Assurance

**I certify that this essay is the sole and individual effort of the student concerned.**

---

School

---

Date

---

Teacher's Name  
(Please Print)

---

Teacher's Signature

---

Student's Name  
(Please Print)

---

Student's Signature